



# **City of Rockville, Maryland**

## **FY07 Proposed Operating Budget and Capital Improvements Program**

**April 3, 2006**

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**Presented by:  
Dominic Del Pozzo**

## Overview

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- ✓ FY07 budget for all funds is **\$87.4 million**, a 1.9% decrease from FY06. The FY06 budget included a \$12.4 million payoff of short-term debt
- ✓ FY07 General Fund budget is **\$57.4 million**, a 12.7% increase from FY06
- ✓ Capital Improvements Program includes **\$13.9 million** in spending authority vs. \$23.2 million in FY06, which included \$7.1 million for Town Center
- ✓ Continue efforts to address health of enterprise funds. Change in water/sewer rates is first step

## Overview

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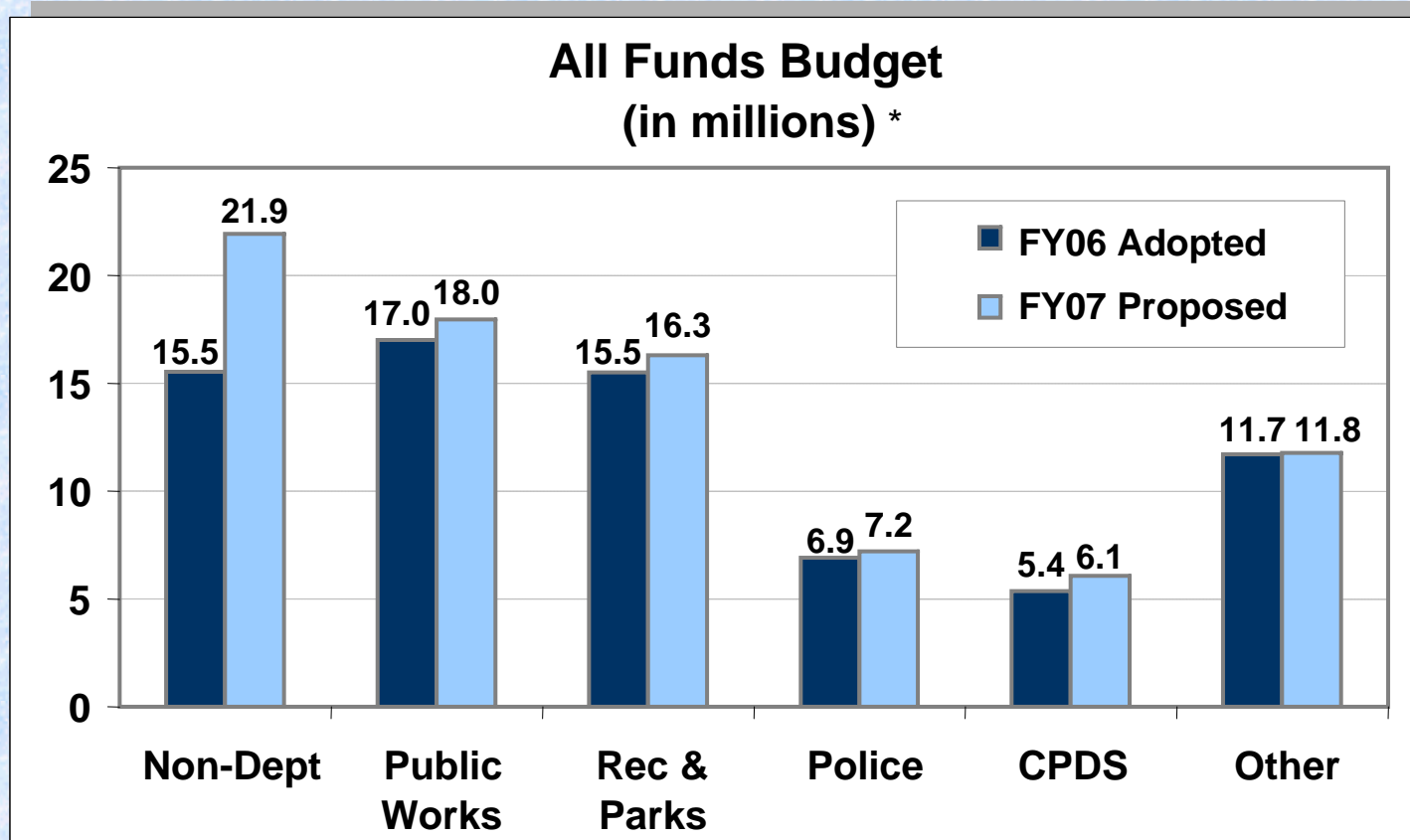
- ✓ New fund to capture financial activity for the Town Center Management District. Property tax component is anticipated
- ✓ Property tax also anticipated for the Parking Fund to support operations and maintenance of garages
- ✓ Net increase of **3.3 FTEs** in the General Fund
- ✓ Other significant changes: reorganization of community services and implementation of pay-for-performance system



## All Funds Budget – FY06 vs. FY07

Fund	FY06 Adopted	FY07 Proposed	Increase / (Decrease)	Percent Change
General	50,961,273	57,432,655	6,471,382	12.7%
Water Facility	5,447,587	5,643,098	195,511	3.6%
Sewer	6,058,932	5,918,174	(140,758)	-2.3%
Refuse	5,172,256	5,238,124	65,868	1.3%
Parking	625,880	2,513,724	1,887,844	301.6%
Stormwater	1,222,244	1,248,982	26,738	2.2%
RedGate Golf	1,331,747	1,490,646	158,899	11.9%
Special Activities	438,140	345,966	(92,174)	-21.0%
CDBG	760,000	760,000	-	0.0%
TCMF	-	652,736	652,736	N/A
Debt Service	17,033,500	6,110,800	(10,922,700)	-64.1%
<b>Total</b>	<b>\$89,051,559</b>	<b>\$87,354,905</b>	<b>-\$1,696,654</b>	<b>-1.9%</b>

## All Funds Budget: \$87.4 million

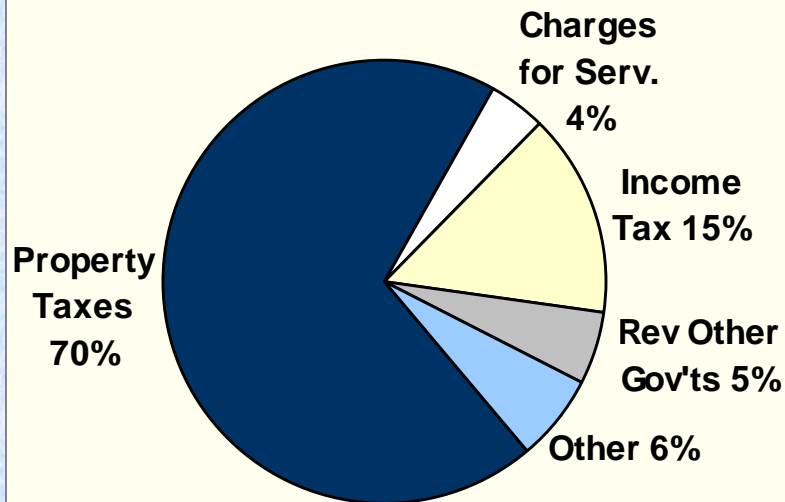


\* This graph does not include \$17.0 million in debt service for FY06 and \$6.1 million in debt service FY07.

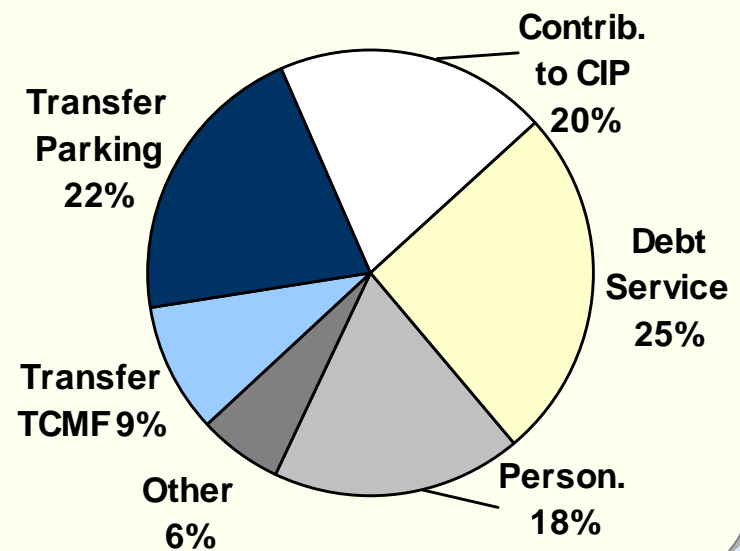
## General Fund Overview

- FY07 Proposed General Fund budget is **\$57.4 million**, 12.7% increase (\$6.5 million) over FY06 Adopted

**Increase in Revenues  
FY06 to FY07**



**Increase in Expenditures  
FY06 to FY07**





## General Fund Revenue

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- Real and Personal Property Tax rates remain at **32.2** and **80.5 cents** per \$100 of assessed value
- Taxable assessed value of real property is expected to jump 13.8% to **\$9.2 billion**. Roughly 80% increase due to reassessments; 20% due to new construction
- Over two-thirds of the General Fund comes from Property Tax (56%) and Income Tax (13%)

## General Fund Expenditures

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- Personnel costs of **\$34.1 million** account for 59% of the General Fund budget
- **\$8.6 million** of transfers for capital projects amount to 15% of the General Fund
  - **\$2.9 million** in pay-go (contribution to CIP)
  - **\$5.7 million** in debt service
- **\$1.4 million** transfer to Parking Fund to provide for first debt payment



# General Fund Expenditures

Expenditures by Type	FY06 Adopted	FY06 Est. Actual	FY07 Proposed	Change from FY06 Adopted to FY07 Prop.
Salaries	25,181,478	24,586,164	25,963,768	3.1%
Benefits	7,117,891	7,351,492	7,489,751	5.2%
Overtime	650,619	669,519	646,429	-0.6%
Personnel Subtotal	32,949,988	32,607,175	34,099,947	3.5%
Contractual Services	6,920,726	6,356,490	6,884,111	-0.5%
Commodities	3,863,439	4,307,570	4,265,065	10.4%
Operating Subtotal	10,784,165	10,664,060	11,149,176	3.4%
Capital	566,310	565,310	584,636	3.2%
Other/Transfer	1,033,813	1,043,481	3,048,096	194.8%
Contribution to the CIP	1,607,286	6,107,286	2,900,000	80.4%
Debt Service	4,019,712	5,383,112	5,650,800	40.6%
<b>Total</b>	<b>\$50,961,273</b>	<b>\$56,370,424</b>	<b>\$57,432,655</b>	<b>12.7%</b>

## General Fund – FTEs

- New and deleted positions have a net increase of **3.3 FTEs** for the General Fund. New positions are listed:

Position	Change from Adopted FY06
Engineering Technician I	+1.0
Organizational Development Coordinator	+0.2
Part-Time Buyer	+0.5
Police Officer	+1.0
Program Assistant (R&P)	+0.5
Secretary I (Police)	+0.5
Secretary II (City Manager's Office)	+0.5
Senior Center Clerk	+0.5
Thomas Farm Recreation Center Supervisor	+1.0
Wellness Coordinator	+0.3
Total Additional FTEs	+6.0
Total Deleted / Reduced FTEs (R&P)	-2.7
<b>Net Increase in FTEs</b>	<b>+3.3</b>

## Reorganization of Community Services

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- Continue changes that began last year
- Community Services Division to be created in Recreation and Parks Department
- Linkages to Learning program unchanged
- Increase number of residents served through group programming, link to other service providers, youth development programs, services to new immigrants



## Water Fund - \$5.6 million

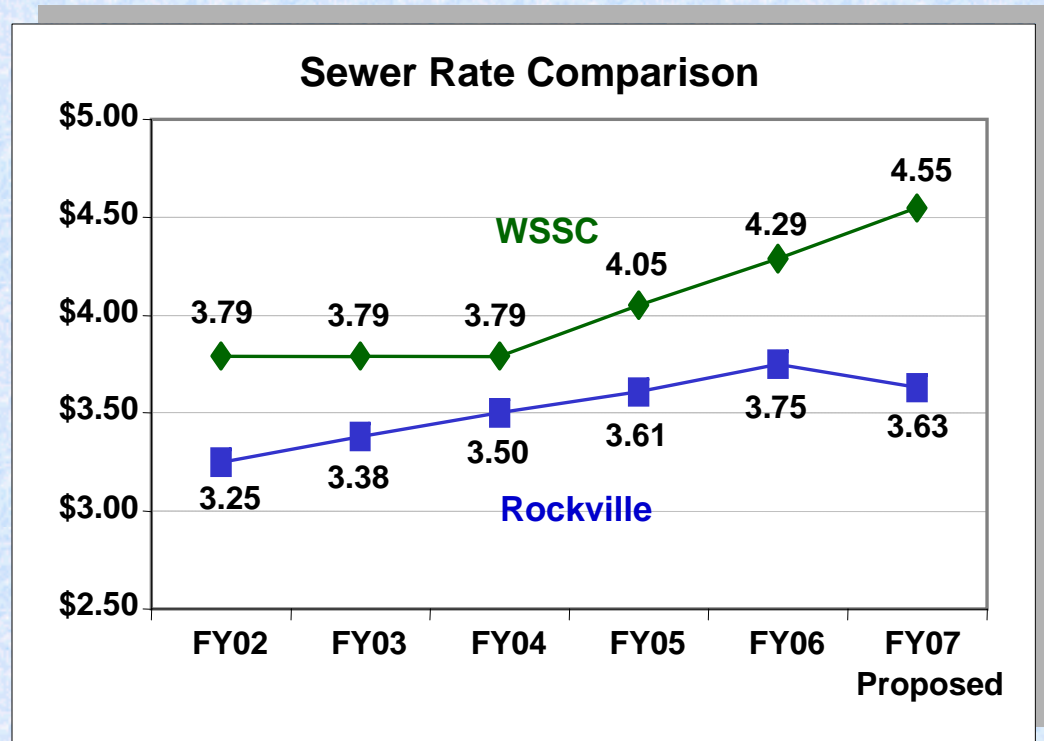
- New ready-to-serve charge based on meter size (\$9.00 for average household)
- Variable charge based on usage (per 1,000 gallons, billed quarterly)

Usage	Charge
Up to 12,000 gallons	\$1.62
Next 12,000 gallons	\$2.33
Usage beyond 24,000 gallons	\$2.50

- Current rate is \$2.26 per 1,000 gallons
- One new Operator Trainee at water plant
- Meter installation/replacement program
- Assessment of meter installation at city facilities

## Sewer Fund - \$5.9 million

- Proceeds from ready-to-serve charge fee will support both the water and sewer funds
- FY07 proposed rate is **\$3.63** per 1,000 gal
- Reduction of 12 cents from the current rate of \$3.75 per 1,000 gal





## Refuse Fund - \$5.2 million

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- Monthly fee budgeted to increase \$1.50, bringing the rate to **\$31.00** per month
- Pilot program began in March for **778 homes** and will run for nine months
- Features once-a-week, curbside, semi-automatic pickup
- Initial data from program will be available in fall 2006



## Utility Charges – Average Annual Household

	FY05	FY06	FY07	FY06 to 07 Change
Water (72,000 gal/yr)*	\$149	\$163	\$152	- 6.7%
Sewer (72,000 gal/yr)*	\$260	\$270	\$279	3.3%
Refuse Charge	\$373	\$406	\$431	6.2%
Total	\$782	\$839	\$862	2.7%

\* Rates for FY07 include flat fee split evenly between water and sewer charges

## **Town Center Management Fund - \$650,000**

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- New special revenue fund in FY07
- Special tax revenue from the fund will provide for services within the Town Center Management District
- Tax yield from residential properties is limited in the first and second years per General Development Agreement (GDA)
- Tax Rate Ordinance April 24th

## Parking Fund - \$2.5 million

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- Special tax revenue to be included for first time in FY07
- Tax Rate Ordinance April 24th
- Tax will be levied on businesses in the Town Square District due to the benefit they receive from availability of public parking
- Tax yield is limited to **\$90,000** per GDA and will fund a small portion of operation and maintenance of parking garages

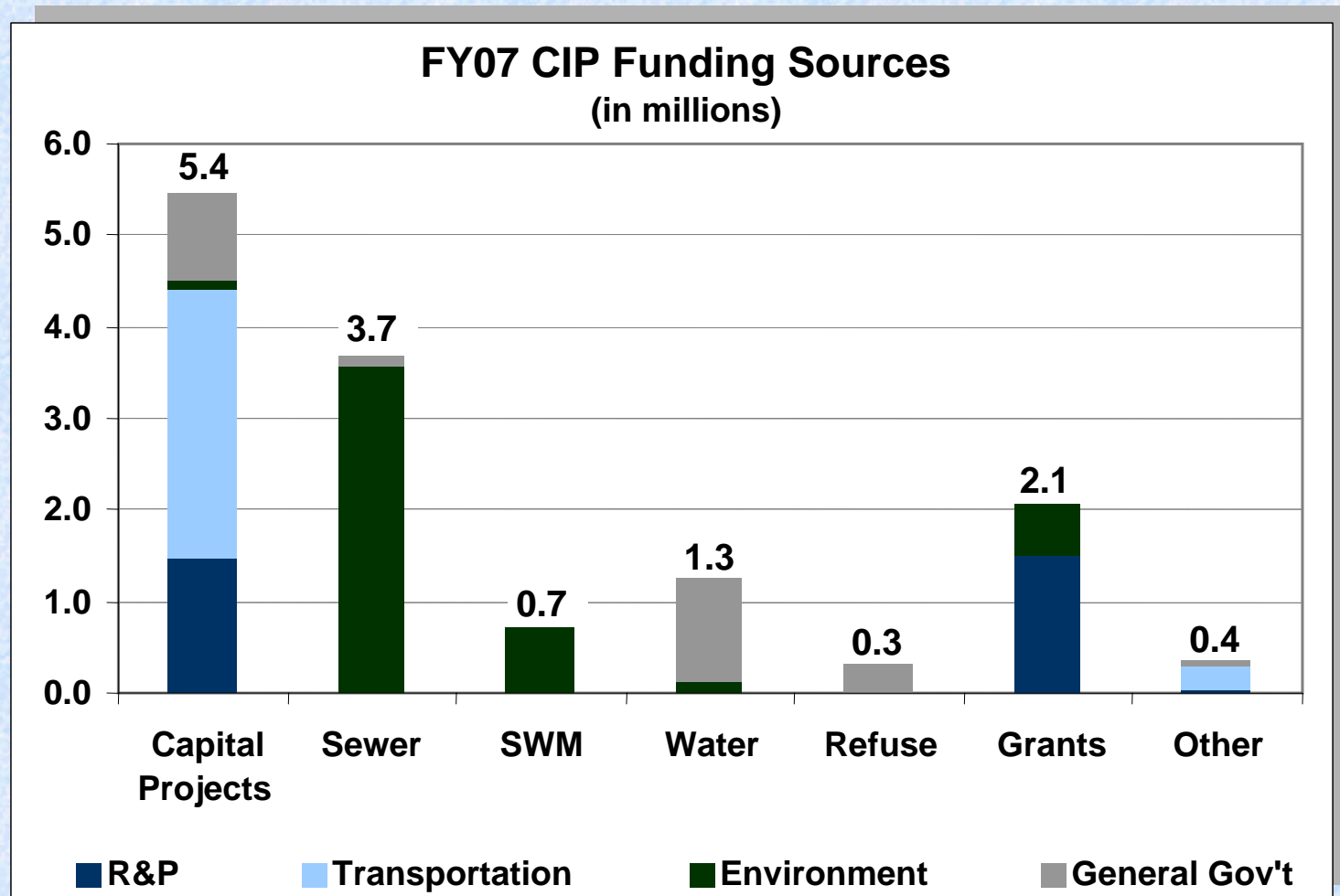


## **FY07 Major CIP Appropriations**

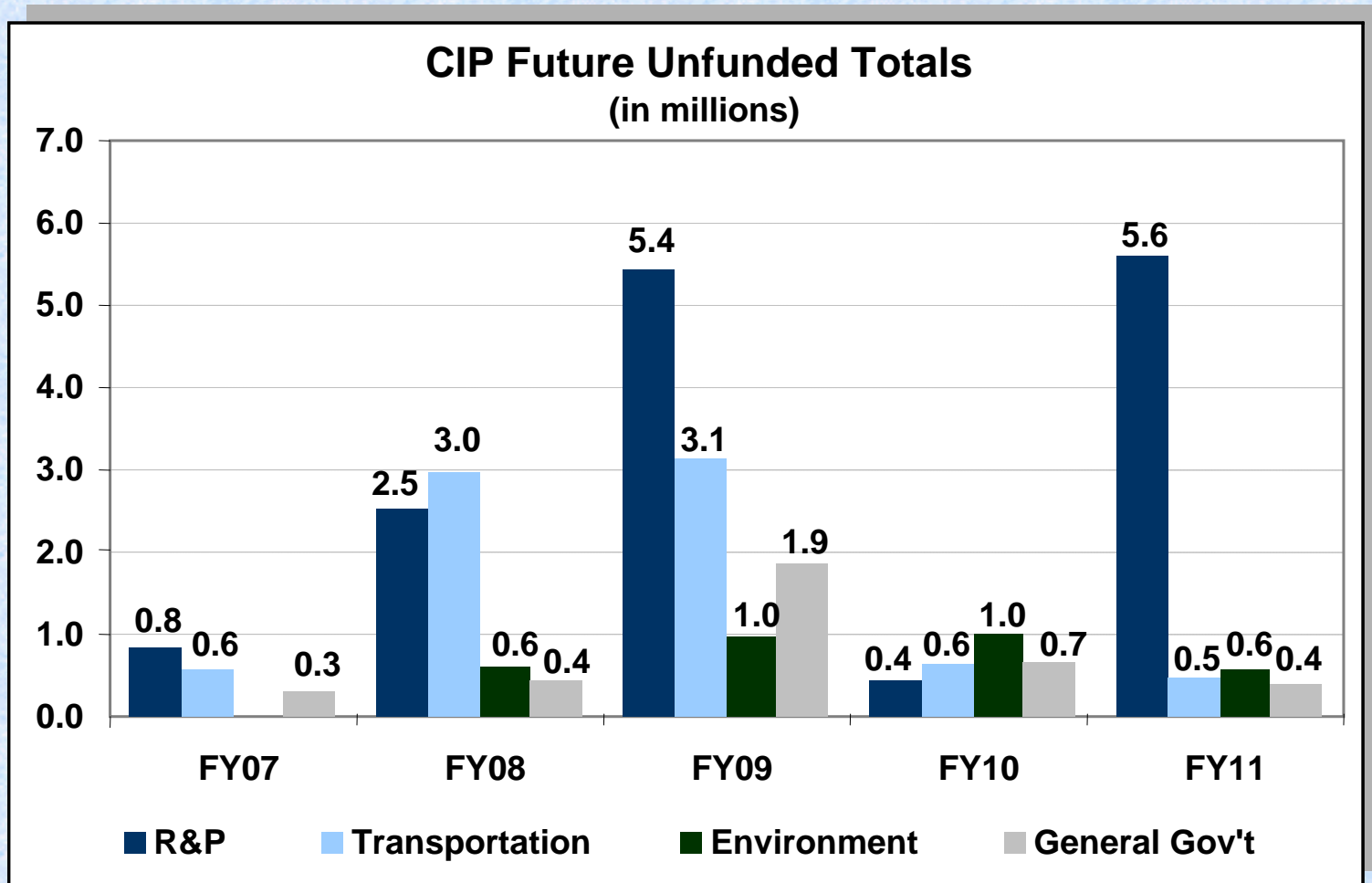
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- Blue Plains Wastewater Treatment, \$2.9 million
- Street Resurfacing, \$1.4 million
- Replacement Vehicles, \$1.2 million
- Water Meter Replacement, \$1.0 million
- Curb, Gutter, Sidewalk Repair, \$950,000
- Thomas Farm Community Center, \$834,000
- Mattie J.T. Stepanek Park, \$804,000
- **In total, \$13.9 million in new spending authority for FY07**

# FY07 CIP Funding



# CIP Future Unfunded Schedule





## Changes and Items to Monitor

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- Anticipate adding four parking enforcement officers to city's FTE count. Funding already included in proposed budget
- Additional \$250,000 for Thomas Farm Community Center and additional \$1 million in POS funding - \$500,000 for Thomas Farm Community Center and \$500,000 for Mattie J.T. Stepanek Park
- Funding in the amount of \$100,000 to support recommendations from an ongoing review of development procedures

## Changes and Items to Monitor

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- Town Center funding from state: appears that the \$1.5 million from 2005 is intact and that an additional \$1.5 million will be provided this year
- Homeowners' (circuit breaker) property tax credit developments
- Speed camera funding and implementation to be determined
- \$2,900 to be proposed for Council of Governments Street Smart Campaign; \$1,713 for Washington Area Housing Trust Fund; and an additional \$10,500 for caregiver groups



# Budget Information

- ✓ Budget Schedule:
  - Public Hearings – April 24 & May 1
  - Worksessions – May 15 & 22
  - Budget Adoption – June 5
- ✓ Budget on-line at:  
[www.rockvillemd.gov](http://www.rockvillemd.gov)
- ✓ Available for review at:
  - City Hall
  - Twinbrook and Rockville Libraries

